

Accountability and Oversight

RACE TO THE TOP FISCAL ACCOUNTABILITY AND OVERSIGHT REVIEW

Tennessee

Date of Review: March 3-6, 2014

Race to the Top award: \$500,741,220.00

Acronyms:

ARRA – American Recovery and Reinvestment Act of 2009

EDGAR – *Education Department* General Administrative Regulations (codified in 34 Code of Federal Regulations, Parts 74 to 86 and 87 to 99)

GEPA – General Education Provisions Act

ISU – Implementation and Support Unit

LEA – Local Educational Agency

Summary of Monitoring Indicators

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Critical Element	Requirement	Citation	Results	Page
Allocations to LEAs	The State allocated funds to participating LEAs based on their relative share of funding under Title I, Part A of the Elementary and Secondary Education Act of 1965.	ARRA Section 14003(a)	Met Requirement	
Fiscal Oversight of Race to the Top Funds	The State and sub-recipients used the funds only for allowable activities.	ARRA Sections 14002(b), 14003, 14004, 1604, 1605, and 1606	Met Requirement	
	The State and sub-recipients complied with the principles of cash management (i.e. funds advanced were actually expended).	EDGAR § 80.21	Met Requirement	
	The State and sub-recipients have systems to track and account for Race to the Top funds in place.	EDGAR § 80.20	Met Requirement	
	The State and sub-recipients complied with cross-cutting ARRA requirements (e.g., Section 1512 reporting, Buy American, infrastructure certification).	ARRA Sections 1511, 1512, 1604, 1605, 1606, and 1607	Met Requirement	
	The State and sub-recipients used the funds only during the period of availability (which may include pre-award costs).	ARRA Section 1603 and GEPA 421(b)	Met Requirement	
1511 Certifications (if applicable)	The State certifies that infrastructure investments have received the full review and vetting required by law and accepts responsibility that it is an appropriate use of taxpayer dollars.	ARRA Section 1511	Met Requirement	
Quarterly ARRA Reporting	The State is ensuring compliance with ARRA Section 1512 quarterly reporting regulations.	ARRA Section 1512	Met Requirement	
	The State established clear policies and procedures for compliance with applicable reporting requirements.	ARRA Sections 14008 and 1512	Met Requirement	
	The State provided guidance on reporting to LEAs.	ARRA Sections 14008 and 1512	Met Requirement	
	The State provided feedback to LEAs on the data reported.	ARRA Sections 14008 and 1512	Met Requirement	

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Sub-recipient Monitoring	The State has developed a monitoring plan with appropriate policies and procedures to assure compliance with applicable Federal requirements and that the grant performance goals are being achieved throughout the project period.	EDGAR §80.40; Race to the Top grant condition “O”	Met Requirement	
	The State has developed comprehensive monitoring protocols that include programmatic and fiscal monitoring.	EDGAR §80.40; Race to the Top grant condition “O”	Met Requirement	
	The State has established a reasonable monitoring schedule.	EDGAR §80.40; Race to the Top grant condition “O”	Met Requirement	
	The State has provided monitoring reports and corrective action follow-up (when available).	EDGAR §80.40; Race to the Top grant condition “O”	Met Requirement	

NOTES:

Description of Backup Documentation for Fiscal Oversight of Race to the Top Funds

The evidence the State and LEAs submitted prior to and during the Year 4 review is consistent with the requirements in Attachment 2.

In follow up to the Year 3 review, the State indicated that the fiscal monitoring protocol shared during the Year 3 review while it was being piloted has since become final and is being utilized in State fiscal oversight reviews of LEAs during Year 4.

The ASD is a project funded through Tennessee’s State 50 percent share of funds that operates semi-autonomously given its establishment as an LEA in May 2012. The project has its own management team and programmatic goals. When the ASD was included in the Year 3 onsite review as a selected LEA, the State treated the ASD like all other State-level projects in Edison, the State’s accounting system. As a result, the Department could not review ASD’s fiscal practices in the same manner it would an independent LEA. However, for Year 4, ASD began to transition to a new accounting system but had not fully transitioned by the time of our Year 4 onsite review. Following the onsite review, the State submitted documentation from a one-month reimbursement cycle for the ASD. This evidence provided sufficient documentation of the ASD’s cash management and fiscal oversight procedures.

Outstanding Issues, Concerns, or Clarifications for Verification

After collecting follow up documentation during the onsite visit, there are no outstanding issues, concerns, or items for verification regarding the State’s use and management of Race to the Top funds.